

**CITY OF SHOREVIEW
MINUTES
REGULAR CITY COUNCIL MEETING
March 2, 2009**

CALL TO ORDER

Pursuant to due call and notice thereof, a regular meeting of the Shoreview City Council was called to order by Mayor Martin on March 2, 2009, at 7:00 p.m.

PLEDGE OF ALLEGIANCE

The meeting opened with the Pledge of Allegiance to the flag.

ROLL CALL

The following members were present: Mayor Martin; Councilmembers Huffman, Quigley, Wickstrom and Withhart.

APPROVAL OF AGENDA

Mayor Martin noted that the Council has had meeting procedures since 1978. At the last meeting those procedures were clarified and amended regarding Citizen Comments. There is a note card in the rack in the Council chambers with the rules for Citizen Comments.

MOTION: by Councilmember Wickstrom, seconded by Councilmember Withhart to approve the March 2, 2009 agenda as submitted.

ROLL CALL: Ayes – 5 Nays - 0

PROCLAMATIONS AND RECOGNITIONS

There were none.

CITIZEN COMMENTS

Mr. Lee Poppe, Shoreview/Einhausen Sister City Foundation, invited the Mayor and City Council to an East Frisian Tea on March 15, 2009, at the Community Center from 2:00 to 4:00 p.m. Also, the Annual German Dinner will be Saturday, March 28, 2009, at Ideal Hall in Roseville. The Manor Choir from the German/American Institute will sing. Dr. Lavern Ripley, German Professor at St. Olaf College, will speak on German immigration.

Mayor Martin noted that representatives from Einhausen will be in Shoreview in July for the *Slice of Shoreview*. Mr. Poppe added that 27 are coming and will be here until August 3, 2009.

Mr. Tim Pratt, 5970 Pleasant Drive, Chair of Environmental Quality Committee, announced the presentation on ways to limit exposure to toxins in our environment on Wednesday, March 11, 2009 at the Community Center. On April 8, 2009, there will be a class on building your own rain barrel. Anyone interested must register. Eight are signed up and the limit will be 15. There is a charge of \$50.00 for the materials that will be provided.

COUNCIL COMMENTS

Mayor Martin:

Received a phone call from a resident thanking staff for the quick response to the snow storm last weekend. She commended Mr. Maloney and Mr. Wesolowski for their good work.

Councilmember Wickstrom:

The Ramsey County League of Local Governments meeting was postponed to March 12, 2009, in the Council chambers at 7:00. Jeff Nash will be talking about the draft groundwater plan for Ramsey County.

The Shoreview Green Communities Committee will meet March 4, 2009, at 7:00 p.m. at the Community Center.

There will be a Paint-A-Thon in August. Anyone needing that kind of help can call Deidre Hope at 612/721-8687.

Councilmember Withhart:

The Northwest Youth and Family Services Annual Leadership Luncheon will be May 6, 2009.

CONSENT AGENDA

Councilmember Huffman requested that the minutes in item Nos. 1 and 2 be voted on separately, as he was not present at the February 17th Council meeting.

Item Nos. 7 and 8 were pulled for separate discussion.

8. Approve Plans and Specifications, Order Project and Taking of Bids - 2009 Sanitary Sewer Lining Project, CP 09-005

Councilmember Withhart asked what savings there are and the life expectancy in lining a sewer pipe rather than replacing it. Mr. Maloney stated that the CIP anticipates approximately \$480,000 in sewer work. That is 16,500 lineal feet of lining. If it were replaced, the cost would be \$50 to \$100 per foot. He estimated that relining is 25% to 30% of the cost of replacement. Conservatively, the life expectancy is approximately 50 years.

7. Award of 2009 Insurance Coverage

Mayor Martin noted that the 2009 insurance coverage is an increase of approximately \$10,000 to cover the formation of the Economic Development Authority. She asked if this amount is included in the budget amendments that the Council will be considering later in the agenda. Mr. Schwerm answered that the increase falls within the estimate in the budget for insurance.

Councilmember Withhart asked if there are charge backs to the City related to the downturn in the markets. Mr. Schwerm explained that insurance rates, such as workers compensation that is in a pool with the League of Minnesota Cities, are based on the City's experience. However, it may be that the League is experiencing charge backs because of the markets.

MOTION: by Councilmember Quigley, seconded by Councilmember Wickstrom to adopt the consent agenda, of March 2, 2009, item Nos. 3 through 8, approving the necessary motions and resolutions:

3. Receipt of committee/Commission Minutes
 - Economic Development Commission, November 18, 2008
 - Economic Development Commission, January 20, 2009
 - Planning Commission, January 27, 2009
4. Verified Claims in the Amount of \$1,298,368.31
5. Purchases
6. Approval of Application for Exempt Permit - St. Odilia Church
7. Award of 2009 Insurance Coverage
8. Approve Plan and Specifications, Order Project and Taking of Bids - 2009 Sanitary Sewer Lining Project, CP 09-05.

ROLL CALL: Ayes – 5 Nays - 0

MOTION: by Councilmember Quigley, seconded by Councilmember Wickstrom to approve item Nos. 1 and 2: February 17, 2009 City Council Meeting Minutes and February 17, 2009 City Council Workshop Meeting Minutes.

ROLL CALL: Ayes – 4 Nays – 0 Abstain - 1 (Huffman)

PUBLIC HEARINGS

There were none.

GENERAL BUSINESS

TEXT AMENDMENT - CHAPTER 205, ZONING MAP

Presentation by City Planner Kathleen Nordine

The City is initiating an update to its zoning map that was adopted April 16, 2001. Since 2001, there have been 20 amendments. The proposed map includes those amendments and brings it into compliance with the City's updated 2008 Comprehensive Plan. Eighteen properties are rezoned from UND (Urban Underdeveloped) to R1 Detached Residential District. There is also a text amendment to Section 205.010(A) to reflect the changes on the map. Five of the 18 parcels are currently in institutional use; four are owned by the St. Paul Water Utility; one is McCullough Park; four are wetland areas owned by the City; and five are developed with single family homes. All of these uses are appropriate in the R1 District.

Notice was published February 11, 2009, and notified property owners within 350 feet of the parcels that are less than five acres in size. Staff received a number of telephone calls for further information. No objections were received.

The Planning Commission held a public hearing on February 24, 2009. Residents asked questions about taxation and development implications with rezoning. The Planning Commission discussed the circumstances of UND zoning and City owned wetland areas. The Commission unanimously recommended approval. Staff also recommends approval.

Councilmember Wickstrom questioned rezoning wetland sites and McCullough Park, when there will never be residential development. She suggested zoning as Open Space. Mr. Schwerm added that R1 is the least intensive zoning. To zone as Open Space would mean changing definition of Open Space in the City Code because it now refers to County land that is undeveloped. Councilmember Wickstrom suggested adding a zoning designation of Park.

Councilmember Withhart noted that some of the parcels being rezoned are ones that were not included in previous adjacent housing developments.

Mayor Martin asked if there are other properties still zoned UND. Ms. Nordine stated that there are still 60 zoned UND.

Councilmember Quigley asked if UND zoning should designate the land's best use. Planning Commissioner Schumer responded that the Planning Commission agreed with staff's designations. This is an attempt to accomplish housekeeping changes. Concerns were mainly about possible development.

MOTION: by Councilmember Wickstrom, seconded by Councilmember Quigley to adopt Ordinance No. 845 approving the text amendment to Section 205.010(A) of the Municipal Code, adopting an Official Zoning Map, and rezoning 18 parcels from

UND, Urban Underdeveloped to R1 Detached Residential District, and to authorize publication of an Ordinance Summary.

The approval is based on the following findings of fact:

1. The proposed Official Zoning Map updates the map by including 20 map amendments that have been approved since April 16, 2001.
2. The Official Zoning Map will be consistent with the Land Use Chapter of the 2008 Comprehensive Plan by rezoning eighteen parcels to the R1 District from the UND District.
3. The current use of each of these parcels is consistent with the Land Use Chapter of the Comprehensive Plan.

ROLL CALL: Ayes: Huffman, Quigley, Wickstrom, Withhart, Martin
 Nays: None

APPROVAL OF 2009 BUDGET AMENDMENTS

Presentation by Finance Director Jeanne Haapala

The items that have triggered the proposed budget reductions are:

- The Governor's budget proposal eliminates the City's Market Value Homestead Credit (MVHC). At this time the City estimates that amount to be \$280,000.
- Election equipment maintenance costs are now passed on from the County to the City each year, even when there is no election.
- Central Garage fuel, repair and contractual costs.

The MVHC began in 2003 as a state program to mitigate the impact of changes being made to the property tax system, when the property tax burden was shifted from higher valued residential property to lower valued residential property and from commercial property to residential property. A temporary credit was designed to lower valued residential property that would phase out in time with the credit decreasing as the value increases. The credit is not listed separately on the tax statement. The credit was then to be reimbursed to the City. From 2003 to 2009, the only tax credit Shoreview received was in 2007 and 2008, which is 17% of what was to be collected when the law was created. Therefore, in the current state budget crisis, it is assumed the City will again not receive MVHC in 2009.

Budget amendment revenue revisions include:

- Fee changes: 1) peddler; 2) rental licensing; 3) re-certification of closed/vacant homes;
- Request to state for revision of MSA Maintenance allocation;
- Loss of MVHC; and
- Transfers from the utility funds.

Budget expenditure revisions include:

- Copier savings with a new contract;
- Newsletter savings (new design and increased Cable TV fund support);
- Staff retirement without replacing the position;
- Reduced reforestation plantings;
- Fewer associate park maintenance staff over summer;
- Elimination of housing study;
- Reduced contract inspector costs due to sharing with other communities;
- Elimination of contingency allowance;
- Reduced General Fund support for recreation programs;
- Increased central garage equipment charges;
- Use of \$33,506 General Fund balance reserves.

The budget changes preserve public safety services and minimize impact to other services. The recommended resolution formalizes the budget changes and amends the transfers between funds.

Mayor Martin asked if there are further measures the state can take that would hurt the City's budget. Ms. Haapala stated that the state can impact the MSA allocation, impose levy limits or change tax law. The City does not receive any other state aid that can be taken away. Mr. Schwerm stated that the MSA allocation is fairly safe as it is constitutionally dedicated through the gas tax. The only other state aid is to the police and fire pension funds.

Mayor Martin noted that many cities have been growing significantly in recent years and can cut budgets by reducing staff. Shoreview is almost fully developed, and there is almost no opportunity to reduce staff.

Councilmember Huffman stated that with transfers from the utility (enterprise) funds, he does not want to see a great increase in utility fund fees. He asked if there are any serious concerns about the budget amendments. Ms. Haapala responded that she is very comfortable with the budget amendments. She explained that the water and sewer funds make a transfer to the General Fund as payment in lieu of taxes, which has been done for over 20 years. The transfers will be tied to assets and phased in over a number of years. These transfers are much lower than property taxes would be. Mr. Schwerm stated that his concern is with levy limits and the budget in 2010 and beyond knowing what is needed in the levy to maintain services in the future. With the MVHC cut, it is unknown whether the City will be allowed to levy that amount back.

Councilmember Wickstrom asked the impact to services with the staff retirement and not replacing that position. Mr. Maloney stated that there are other senior members on staff. It will be a transition for younger employees to become knowledgeable. There may be a few minor differences, such as mowing ball fields once a week instead of twice.

MOTION: by Councilmember Quigley, seconded by Councilmember Withhart to adopt resolution number 09-17 amending the 2009 budget as detailed on the attached pages.

ROLL CALL: Ayes: Quigley, Wickstrom, Withhart, Huffman, Martin
Nays: None

AUTHORIZATION FOR COST-SHARE PROGRAM FOR WATER METER REPLACEMENT AND TEXT AMENDMENT TO CHAPTER 500

Presentation by Public Works Director Mark Maloney

Two major initiatives are taking place in 2009--the water meter replacement and Infiltration and Inflow Inspection (I & I inspection). In December 2008, a contract was authorized for replacement of water meters and agreements for meter installation and I & I inspections.

The proposed cost-share program for the water meter replacement would be a 50/50 split for replacement of broken water shut-off valves. A pre-negotiated price of \$150 has been established with a licensed plumber that would be split with the homeowner. Homeowners would also have the opportunity to have the repair done on their own. It is estimated that approximately 500 locations may need valves replaced. If all participate in the cost-share, it would amount to \$37,500 in costs to the City. A cost-share program for the water meter replacement and the I & I inspections will encourage compliance. The water meter replacement itself is being done at City cost. The only cost to homeowners is if plumbing is non-compliant and a repair is needed for the meter to be installed.

A second cost-share proposed is a 50/50 split to bring infiltration and inflow into compliance. An approximate \$500 cost is estimated for such repair--\$250 from the City and \$250 from the homeowner. The City estimates 200 to 300 locations that are non-compliant, which would total approximately \$35,000 in City costs.

Both cost-share programs require code changes to allow inspections and work in homes. Also a non-compliance surcharge is needed in the code to allow a \$150 charge to residents per quarter who do not respond to the notices for the meter replacement and I & I inspections to be done.

Councilmember Wickstrom asked if the cost-share would include two valves or just one. Mr. Maloney answered that if homeowners requested both to be replaced, the City would honor that.

Mayor Martin stated that she is pleased the City can make this generous offer for this work to be as palatable as possible for residents.

MOTION: by Councilmember Wickstrom, seconded by Quigley to adopt Resolution No. 09-15 authorizing City Cost Sharing Provisions for the 2009 Water Meter Replacement and Infiltration and Inflow Inspection Initiatives, City Project 09-02.

ROLL CALL: Ayes: Wickstrom, Withhart, Huffman, Quigley, Martin
Nays: None

Text Amendment

Mr. Maloney stated that Chapter 500 addresses all of the utility funds and fees. Most of it was written for development in the 1950s and 1960s, and major revisions are proposed. There were many inconsistencies between current operations and what was stated in the code. Provision is made for access to meters and sump pumps. Charges and fees are attached to Chapter 500 as exhibits. The chapter name was changed to *Municipal Utilities* to reflect more than just sewer and water regulations. Listed below are the major changes to each utility section:

Section 501 - Water System

- Reflects current practices and policies;
- Removes all technical references;
- Clarifies permit process;
- Addresses foreclosure responsibilities;
- Allows non-compliance surcharge;
- Removes fund related language; and
- Updates/moves fee information to Exhibit B.

Section 502 - Sewer System

- References to utility billing zones;
- Programs that predated the Metropolitan Council and have now been taken over by the Met Council/MCES now reference those programs;
- Updated prohibited waste definitions;
- Allows non-compliance surcharge;
- Removes fund related language; and
- Clarifies sewer service responsibility.

Section 503 - Municipal Surface Water Management System

- Formatted as infrastructure;
- Removes credit/appeal language;
- References to utility billing zones;
- Updates/moves fee information to Exhibit B.

Section 504 - Municipal Street Lighting

- Formatted as infrastructure;
- References to utility billing zones;
- Updates/moves fee information to Exhibit B.

Mayor Martin asked if any fees have been changed other than incorporating the non-compliance surcharge. Mr. Maloney stated that fees changed on Exhibit B are the hydrant meter deposit, and hydrant meter use.

MOTION: by Councilmember Wickstrom, seconded by Councilmember Withhart to adopt Ordinance No. 844 amending Chapter 500 of the Shoreview Municipal Code and Exhibit B, Administrative Fees regarding Municipal Utilities; and to authorize publication of an Ordinance Summary.

Discussion:

Councilmember Withhart thanked staff for all the work that was done to bring an old ordinance up to date.

ROLL CALL: Ayes: Withhart, Huffman, Quigley, Wickstrom, Martin
Nays: None

**RECEIVE FEASIBILITY REPORT AND CALL FOR PUBLIC HEARING -
WOODBIDGE NEIGHBORHOOD ROAD RECONSTRUCTION, CP 09-01**

Presentation by Public Works Director Tom Wesolowski

The feasibility study for the Woodbridge neighborhood road reconstruction is submitted. The project includes reconstruction of Woodbridge Street, north/south portion of Owasso Lane East, Jerrold Avenue, Edgewater Avenue, and Soo Street. Current conditions on these streets include poor rural sections of road with no curb and gutter; no water main along east/west portion of Owasso Lane East and Rice Street; sanitary sewer not available to two properties on Rice Street; no storm sewer; and a portion of the neighborhood drains to an inlet that discharges directly into Lake Owasso.

The proposed improvements would be:

- Install a new road section consisting of a pervious concrete surface and including barrier style concrete curb and gutter;
- Install a water main in areas where none exists;
- Install sewer none exists and make repairs to existing sewer

The pervious surface of the street would act as the storm water system. Water would drain underneath the road and infiltrate into the soil which is sand.

The project costs are estimated at approximately \$1.4 million, which is lower than the CIP estimate of \$2 million. Three funding sources are identified: 1) assessments for street (\$1,557 per unit), water (\$5,000 per unit), sanitary sewer (\$6,000 per unit); and storm sewer (maximum of \$1,120 per unit); 2) Street Renewal Fund; and 3) Utility Funds.

Staff is recommending proceeding with the project and scheduling a public hearing.

Councilmember Withhart noted another project that used concrete pervious street surface and cracked. He asked how the Council can be assured this one will not crack. Mr. Wesolowski stated that there are three factors: 1) sandy soil, 2) a thicker slab of 7 inches instead of 6 inches, and 3) joint spacing will be different.

Councilmember Huffman asked if pervious concrete is a material that is in the mainstream of use. Mr. Maloney responded that it is being used extensively in the private sector, such as for parking lots. In this project, there is no space for traditional storm water management, which makes it an attractive choice.

Councilmember Wickstrom asked what other alternatives could be used and whether the City has equipment to clean the pervious surface if it becomes blocked with soil. Mr. Wesolowski stated that there will be periodic street sweeping. Other options would be storage areas for eventual infiltration, but there is not enough space for the piping needed. A pond could be built, but again, there is not enough land. An underground pond could be built, but there are maintenance issues as well as possible odor from standing water that would eventually be discharged to Lake Owasso.

Mayor Martin noted that the assessments are higher than has been experienced in the past. Mr. Wesolowski stated that pervious concrete is a little more expensive. The most expensive would be an underground storage tank. Removing the direct discharge to the lake is an environmental improvement.

Councilmember Withhart noted that the assessments are spread over a number of years to make the payments feasible. Mr. Wesolowski stated that financing is usually over 15 years.

Councilmember Huffman asked what the responses have been at the neighborhood meetings. Mr. Wesolowski stated that the main concerns were drainage, discharge to the lake and street width and curb.

MOTION: by Councilmember Withhart, seconded by Councilmember Wickstrom to approve Resolution No. 09-16, receiving the Feasibility Report for the Woodbridge Street Neighborhood Road Reconstruction, City Project 09-01, and calling for Public Hearings to be held on March 16, 2009 at 7:00 p.m., on the proposed improvements.

ROLL CALL: Ayes: Huffman, Quigley, Wickstrom, Withhart, Martin
Nays: None

ADJOURNMENT

MOTION: by Councilmember Quigley, seconded by Councilmember Wickstrom to adjourn the meeting at 9:00 p.m.

ROLL CALL: Ayes - 5 Nays - 0

Mayor Martin declared the meeting adjourned.

THESE MINUTES APPROVED BY COUNCIL ON THE 16th DAY OF MARCH 2009.

Terry C. Schwerm
City Manager